

REQUEST FOR PROPOSALS
GREEN MOUNTAIN ENERGY COMPANY

TIM SMITH
VP OF ORIGINATION AND BUSINESS DEVELOPMENT
550 WESTLAKE PARK BOULEVARD
ROOM 172
HOUSTON, TEXAS 77079
281-366-5124

DATE ISSUED: JANUARY 21, 2005

DUE DATE & TIME FOR RESPONSES: FRIDAY, MARCH 3, 2005 @ 11:00 A.M.
CENTRAL TIME

RFP NOTICE

GREEN MOUNTAIN ENERGY COMPANY IS REQUESTING PROPOSALS FROM GENERATORS AND MARKETERS OF RENEWABLE ENERGY CREDITS, RENEWABLE ENERGY ATTRIBUTES OR ‘*GREEN TAGS*’ (“RECs”) ASSOCIATED WITH THE GENERATION OF ELECTRICITY FROM RENEWABLE RESOURCES.

ANY QUESTIONS REGARDING THIS REQUEST FOR PROPOSAL SHOULD BE DIRECTED TO TIM SMITH, GREEN MOUNTAIN ENERGY COMPANY, 281-366-5124 or tim.smith@greenmountain.com.

Upon signing this page the organization certifies that they have read and agree to the requirements set forth in this RFP, including conditions set forth and pertinent information requests.

NAME OF COMPANY _____ PHONE NO _____

BUSINESS ADDRESS _____

SIGNATURE OF AUTHORIZED PERSON _____

TITLE _____ DATE _____

UNSIGNED PROPOSALS WILL BE REJECTED

Request for Proposals

This is a Request for Proposals from Green Mountain Energy Company (“GMEC”) to purchase renewable energy credits (also called renewable energy attributes or ‘*green tags*’) (“RECs”) associated with the MWhs of energy produced by renewable electric generating facilities which are located on either the Southeastern Electric Reliability Council (SERC) grid or the Florida Reliability Coordinating Council (FRCC) grid.

You are invited to submit a proposal to be received no later than 11:00 a.m., Central time, Friday, March 3, 2005, at the place designated for receipt of offers. All proposals shall be in accordance with this request and the written instructions furnished to all respondents.

A contract will be awarded to the responsible offeror whose proposal is within a competitive price range, is determined to meet environmental standards and criteria, and is determined to be the most advantageous to GMEC, price and other factors considered, subject to negotiation of a RECs purchase agreement between GME and offeror which shall be acceptable to GME. Proposals shall be submitted to:

Tim Smith
VP of Origination and Business Development
Green Mountain Energy Company
550 WestLake Park Boulevard
Room 172
Houston, TX 77079

A. Introduction

GMEC is soliciting offers for the purpose of buying RECs from renewable generating facilities located on either the Southeastern Electric Reliability Council (SERC) grid or the Florida Reliability Coordinating Council (FRCC) grid.

This is NOT a solicitation for the purchase of energy from the renewable facilities. GMEC is only soliciting the purchase of the RECs associated with such energy.

B. RECs Sought

In this RFP, and subsequently in a written contract with GMEC, the RECs and the renewable facility generating the RECS must meet the following criteria:

- RECs will be generated from a renewable resource that came online, either as a new facility or as an expansion of a previously existing facility, after January 1, 1999.
- RECs will be generated from wind, solar, small scale hydroelectric (certified by Low Impact Hydropower Institute), landfill gas (the natural byproduct of bacterial digestion of organic garbage), geothermal or biomass. In the case of

landfill gas and biomass RECs, the renewable facility generating the RECs must use methane from landfill or woodwaste from untreated and unprocessed wood as a fuel to be considered for purchase under this RFP. Other types of renewable and biomass resources may be considered on a case-by-case basis.

- One (1) REC shall represent and include all RECs associated with one (1) MWh of energy generated by the renewable generating facility and delivered from the facility to the SERC or FRCC grid.
- Each REC shall include *all* fuel, emissions, air quality or other environmental characteristics, credits, benefits, reductions, offsets and allowances: (a) resulting from the purchase, generation or use of energy; (b) resulting from the avoidance of the emission of any gas, chemical or other substance to the air, soil or water attributable to such purchase, generation or use; or (c) arising out of any applicable law, rule or regulation.
- GME will purchase the RECs under GME's standard form RECs purchase contract, which includes representations and warranties of Seller to ensure that GMEC receives clear title and ownership to the RECs purchased, and to ensure that the RECs, and the environmental benefits contained in the RECs, have not been double-claimed or double-sold. GME's form contract includes (among other things) representations and warranties of Seller covering the following:
 - The energy associated with the RECs is sold (or otherwise transferred) as 'undifferentiated' or 'generic' energy. This means the specific renewable generation facility, and its renewable fuel type, are not disclosed or identified to any party purchasing or receiving the energy (or in a manner which would allow another party to claim the same environmental or renewable characteristics or benefits). RECs associated with energy which is sold (or transferred) under a contract which explicitly excludes the RECs, or renewable attributes, from the sale (or transfer) may be considered on a case-by-case basis.
 - GMEC is granted the *exclusive* right to report ownership of the RECs, the *exclusive* right to make marketing and advertising claims about the environmental benefits and attributes of the renewable energy associated with the RECs, and the *exclusive* right to claim responsibility for delivering the RECs (including the environmental benefits associated with the renewable energy) to the SERC or FRCC grid.
 - Seller will not claim that the energy associated with the RECs was generated from a renewable fuel or by the renewable resource or facility, in any marketing materials, or in any other similar disclosures regarding fuel mix, made to customers or to the public.
- RECs associated with energy which is sold to a third party under a contract (or confirmation) which identifies the renewable generation facility (or its fuel type), but which is silent as to whether the tags are transferred to the energy purchaser, are *not* eligible and will not be considered (except where a written

amendment or agreement to the contract is provided to clarify ownership of RECs to GMEC's satisfaction).

C. Quantity and Term

GMEC desires to buy RECs, and may purchase up to the volume of RECS listed in the following schedule:

<i>Period of Generation</i>	<i>Maximum Quantity</i>
July 1, 2004 – December 31, 2004	75,000
January 1, 2005 – June 30, 2005	75,000
July 1, 2005 – December 31, 2005	150,000
January 1, 2006 – June 30, 2006	150,000
July 1, 2006 – December 31, 2006	200,000
January 1, 2007 – June 30, 2007	200,000
July 1, 2007 – December 31, 2007	300,000
January 1, 2008 – June 30, 2008	300,000
July 1, 2008 – December 31, 2008	400,000
January 1, 2009 – December 31, 2009	400,000

D. Contract Price

Bidders are required to submit an offer price in U.S. dollars per MWh for each REC for the applicable time period(s).

E. Delivery of Attestations and Confirmations

GMEC requires 'attestations' to document delivery of RECs to GMEC, similar in form to attestations required by Center for Resource Solutions, Green-e program. GMEC will require an attestation from the initial generating facility and from any intermediary who purchases or sells the RECs prior to the final sale to GMEC, demonstrating a '*clear line of title*' back to the generating facility. This means that the off-taker of energy from the renewable generation facility and the owner (generator) of the renewable generation facility must be in express agreement as to ownership of the RECs in question.

GMEC desires that attestations be delivered on a semi-annual basis. Chosen bidders will be required to execute a form of attestation for every such period. Alternative delivery periods for attestations may be proposed.

Quantities may be agreed to on a periodic basis using confirmations.

F. Proposal Evaluation Criteria

1. Price
2. Quantity for each time frame
3. Generator's on-line date (current or projected)
4. Fuel type
5. Average emission rate (in pounds/MWhr) for SO_x, NO_x, and CO₂
6. Environmental and contracting criteria described in this Request for Proposal.

Proposals will be reviewed by GMEC, using the above selection criteria. GMEC will evaluate the criteria based on the content of the bid. Negotiations will be conducted initially with the offeror receiving the highest evaluation as rated by GMEC. If a mutually satisfactory contract cannot be negotiated with the offeror, the offeror will be requested to submit a best and final offer, in writing. If the best and final offer is unacceptable to GMEC, negotiations then will be initiated with the subsequently listed offeror in the order of rating. This procedure will be continued until enough mutually satisfactory contracts have been negotiated to fill the needs of GMEC.

H. Award of Contract

After the close of negotiations, GMEC will award the contract(s) to the selected qualifying offeror(s), if any, and will promptly notify all unsuccessful Bidders.

I. Reservation of Rights

This RFP is not an offer establishing any contractual rights and is solely an invitation to submit offers. GMEC reserves the right, without qualification and at its sole discretion:

- To reject or accept *any or all* bids for any reason or to waive any informality or technicality in bids received;
- To modify or waive any of the criteria contained herein and/or the process described herein;
- To reject any, all, or portions of the bids received for failure to meet any criteria set out in this RFP; and
- To reject bids submitted by any Bidder that in the Green Mountain's opinion are incomplete, inaccurate, conditional, non specific; or are not in conformance with the requirements and instructions contained in this RFP.

Bidders agree to submit their bids without recourse against GMEC, its agents or employees for either rejection or failure to execute a contract for any reason in association with the bid and this RFP.

Each bid prepared in response to this RFP will be prepared at the sole cost and expense of the Bidder and with the express understanding that there will be no claims whatsoever for reimbursement from GMEC.

All materials submitted in response to this RFP shall become the property of GMEC and shall not be returned to the Bidder. GMEC will treat pricing information contained in the bids as confidential and will not disclose pricing information or any bid submitted by a Bidder to any third party, except (i) in order to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule, or in connection with any court or regulatory proceeding and (ii) to its employees, directors, accountants, consultants and advisors.